

2.1.1. Affiliation Responsibilities. Subject to CEO's ultimate responsibility for Hospital operations as set forth in § 3.1.2, University shall be responsible for:

2.1.1.1. *Purchased Services.* Provision of Purchased Services as set forth in § 5.

2.1.1.2. *Personnel Supervision.* Operational and clinical supervision of County Personnel, including as applicable physicians, nurses, technicians, therapists, medical social workers, nurse anesthetists, psychologists, physicists, pharmacists, dieticians, and all mid-level practitioners, including physician assistants and nurse practitioners, as required for the provision of Purchased Services.

2.1.1.3. *Resource Allocation and Operations.* Provision of advice and recommendations, which County shall fully consider, regarding resource allocation and operations.

2.1.2 Physician Compensation.

2.1.2.1. *Reporting.* Upon request from the CEO, University shall report on a unique identifier basis, all compensation paid to each Faculty member from County funds, directly or indirectly, by University. Pursuant to the requirements of § 12.12, University shall provide County with a copy of any contract with a third party, including an affiliate of University, for the distribution of County funds to Faculty members. This § 2.1.2.1 does not require University to provide County with copies of Faculty employment or professional services agreements.

2.1.2.2. *Cessation upon Loss of Clinical Privileges.* County shall notify University if (i) a Faculty member's clinical privileges at Primary County Facilities have been terminated, or (ii) disciplinary or termination proceedings have been initiated against a Faculty member; and payment to the Faculty member from County funds for specified Purchased Services should terminate. Promptly upon receipt of such notice, University shall cease using County funds to compensate that Faculty member for performance of the specified Purchased Services.

2.1.2.3. *Former County Employees.* University shall notify LAC+USC CMO prior to University's use of any individual for the provision of Purchased Services, if the University has knowledge that the individual was a County employee at any time during the previous twelve months. University shall not use County funds to compensate such individual if County objects in writing within thirty (30) days after County's receipt of such notice. This section shall apply only to individuals who leave County employment after March 1, 2000.

2.1.2.4. *Exclusion from Federal Health Care Programs.*

2.1.2.4.1. *Cessation of Compensation.* Each Party shall promptly notify the other if it learns that a Faculty member has been excluded, suspended or determined ineligible from participation in any federal health care program, including Medicare or Medi-Cal. Promptly upon learning of any such exclusion, suspension or ineligible status, University shall: i) cease using County funds to compensate such individual for performance of Purchased Services subsequent to the date of exclusion; and ii) immediately bar that individual from providing Purchased Services.

2.1.2.4.2. *Indemnification for Exclusion from Federal Health Care Programs.* University shall indemnify, defend and hold harmless County and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities or expenses arising out of or connected with the performance of Purchased Services by any person employed by University and not by County, who has been excluded, suspended or determined ineligible from participation in any federal health care program; provided University: (i) knew or reasonably should have known of such person's excluded, suspended or ineligible status during the period at issue; and (ii) failed to remove such person from the performance of Purchased Services.

2.2. Administration of Purchased Services.

2.2.1. University Representative. University shall appoint a University Representative to provide general oversight of University activities under this Agreement.

2.2.1.1 *Selection.* In the event of a vacancy in the position of University Representative, University shall consult with the LAC+USC CMO and the DHS CMO; provided that University shall retain sole authority for appointment of University Representative and any reassignment from his or her duties as University Representative.

2.2.1.2 *Duties.* University Representative or his or her designee shall serve as University's contract officer for this Agreement. He or she shall oversee the overall provision of Purchased Services, monitor and facilitate institutional compliance with ACGME standards and requirements with respect to Training Program in partnership with the DIO and GMEC, assist the LAC+USC CMO in the supervision of the day-to-day delivery of Purchased Services, participation in County Training Programs, and in consultation with LAC+USC CMO, the coordination of any research approved by Hospital's Institutional Review Board to be conducted in Primary County Facilities. This § 2.2.1.2 does not (i) affect the terms of the Sponsored Programs Agreement among County and University, which governs clinical research services; or (ii) remove any independent

requirements for review or approval of such research, including those set forth in the Bylaws.

2.2.2. Service Chiefs.

2.2.2.1 *General.* Except as set forth below, University shall provide an individual to serve as Service Chief for each Department and appropriate division. Service Chiefs will be jointly selected by University and County through the University Department Chair and LAC+USC CMO or designee, and appointed by the University Department Chair subject to approval of the LAC+USC CMO. In cases where recruitment of a new Service Chief is required, the University Department Chair and LAC+USC CMO will work collaboratively in such selection and approval process. Service Chiefs will be appointed for one-year terms, which will be effective on July 1 of each Contract Year. Notwithstanding any provision in this Agreement, the County, may, in consultation with the University, select a Service Chief who is County Personnel. If the County has elected to provide a Service Chief who is County Personnel to replace University Personnel who is, or IS functioning as, a Service Chief, there shall be an attendant reduction in payments made to the University to reflect such reduction in Purchased Services. The guiding principle for valuing the amount of such reduction shall be the amount paid by the University (salary and employee benefits) for the previous twelve (12) months for the Service Chief, or Service Chief services, with final valuation of such amount to be discussed at the JPO Committee.

2.2.2.2. Service Chiefs report to the University Department Chair but are accountable to the LAC+USC CMO as the hospital service line director/manager.

2.2.2.3. The LAC+USC CMO will provide the Service Chief and University Department Chair ongoing feedback regarding the Service Chief's performance as a hospital service line director/manager, as needed, but no less than annually.

2.2.2.4. Either party may remove a Service Chief provided by University by providing written sixty (60) day advance notice to the other party prior to the effective date of removal. Removal will be on condition that a meeting among the Dean, University Department Chair, University Representative, LAC+USC CMO and DHS CMO takes place to discuss the reasons for the removal request and the supporting documentation is completed prior to such removal. If one party has requested such meeting at least thirty (30) days prior to the effective date of removal, and the other party has not agreed and offered a meeting date prior to the effective date of removal, this condition shall not apply. Service Chiefs may be removed immediately upon written notice to University of certain patient safety concerns in accordance with Section 2.4.1 of this Agreement.

2.2.2.5. Duties: Service Chiefs at Hospital have the responsibility and authority for managing their respective services at the Hospital as specified below.

2.2.2.5.1. Management of the providers during the time they spend participating on the service at Hospital, whether they be University or County employees. Management will include identification, selection, expectation setting, coaching, and performance assessment of providers for the work performance and productivity on the respective Hospital service.

2.2.2.5.2. Management of the care provided by the service, to include ensuring that the respective Hospital service is appropriately staffed, that faculty assignments provide the appropriate levels of supervision of trainees, that providers are physically present during their assigned work, that adequate peer review is performed for providers on the service, and that care delivery complies with Bylaws, Rules and Regulations, hospital policies, and all other applicable County rules.

2.2.2.5.3. Oversight of strategic planning and implementation of performance and quality improvement initiatives on the respective clinical service.

2.2.2.5.4. Overseeing and implementing effective bi-directional communication between hospital leadership and their service. This includes meeting no less often than every six (6) months, with the LAC+USC CMO to work on expectations and performance, including but not limited to the areas of productivity, quality and safety. To facilitate such meetings, the LAC+USC CMO may request, and Service Chiefs will provide, written reports on the topics designated by the LAC+USC CMO.

2.2.2.5.5. Partnering with hospital staff to accomplish regulatory compliance and to respond to grievances.

2.2.2.5.6. Fulfilling their appropriate duties and responsibilities as faculty members of University, some of which may be teaching, research and clinical duties at Hospital.

2.2.3 *Clinic Directors.*

2.2.3.1. *General.* Clinical Direction and Management of Department. Subject to the authority of DHS CMO, CEO, LAC+USC CMO, and University Representative, each Clinic Director shall be responsible for clinical direction, supervision of clinical management, and the provision of clinical Purchased Services in his or her outpatient department.

- 2.2.3.2. *Compliance.* Subject to the authority of LAC+USC CMO, each Clinic Director shall be responsible for compliance in outpatient areas only by his or her Department's Medical Staff with the Bylaws, and with County policies and procedures as set forth in this Agreement and as Clinic Director is otherwise notified by County.
- 2.2.3.3. Clinic Directors will be jointly selected by University and County through the University Department Chair, Service Chief and the LAC+USC CMO.
- 2.2.3.4. Clinic Directors will be responsible for the management, operations, and staffing of their areas, reporting to the Service Chief, and to the appropriate CEO, LAC+USC CMO or designee.
- 2.2.3.5. Clinic Directors will have the following responsibilities in outpatient areas only:
 - 2.2.3.5.1. Oversight of strategic planning and implementation of performance and quality improvement initiatives on the respective clinical service.
 - 2.2.3.5.2. Overseeing and implementing effective bi-directional communication between hospital leadership and their service.
 - 2.2.3.5.3. Partnering with hospital staff to accomplish regulatory compliance and to respond to grievances.
 - 2.2.3.5.4. Fulfilling his or her appropriate duties and responsibilities as faculty members of University, some of which may be teaching, research and clinical duties at Hospital.
- 2.2.4. *Program Directors.*
 - 2.2.4.1. *General.* University, LAC+USC CMO and DIO shall together recommend all Program Directors to GMEC for approval, as appropriate per GME Policy. In accordance with § 2.6.5, the Program Director shall be responsible for obtaining approval in advance from the LAC+USC CMO, or designee, and the DIO of any rotation of County Housestaff or University Housestaff in a Training Program to a non-County facility.
 - 2.2.4.2. *Program Director Removal.* The removal of any program director will be processed in accord with ACGME Institutional Policy requirements. In addition to the language set forth above, any of the following circumstances shall initiate the removal process: a) voluntary resignation; b) recommendation of DIO or Special Review Committee, for a review done for underperformance that concludes removal is in the best interest of the Training Program; c) recommendation from University Department Chair, Dean, or DHS CMO or designee. The GMEC will be requested to review the circumstances and must approve a new Program Director to succeed the old Program Director. Notwithstanding the foregoing, Program Directors

may be removed immediately upon written notice to University of certain patient safety concerns in accordance with Section 2.4.1 of this Agreement.

2.3. Program Planning. University shall participate in joint planning and operations through the System JPO and Facility JPO Committees, as set forth in § 9.

2.4. Compliance with County Policies.

2.4.1. Knowledge and Compliance Generally. University Personnel shall be subject to and shall comply with applicable County policies, in accordance with the terms of this Agreement as identified in Section 2.11, to the same extent as County Personnel, as set forth in this Agreement. In addition, whenever University Personnel are present at any Primary County Facility, such persons shall be subject to the administrative and clinical rules and regulations of such Primary County Facility, as they are otherwise notified by County. It is the responsibility of University to acquaint persons who are to provide Purchased Services hereunder with such rules and regulations. University shall immediately remove any of its personnel from the provision of Purchased Services hereunder upon receipt of written notice from DHS Director or his or her designee, or LAC+USC CMO, that (i) such person has violated applicable rules or regulations, (ii) such person's actions, while on County premises, may harm County patients or (iii) such person's action may create risk to the well-being or safety of County Personnel. County shall provide University with a written statement of the facts supporting any such violation or action within twenty four (24) hours of such removal. If University continues to use County funds to compensate the Faculty member who has been removed from the provision of Purchased Services, University shall ensure that County receives Purchased Services at the same level with no additional cost and no diminution in service attributable to the removal of the Faculty member.

2.4.2. Patient Complaints. University shall make a good faith effort to address patient complaints involving University Personnel, to bring those matters outside its control to the attention of appropriate County administrators, and to cooperate fully with County to resolve any such complaints.

2.4.3. Quality Improvement. University Personnel shall participate in quality improvement, utilization review and risk management activities as specified in the Bylaws; County's policies; all legal, accreditation and certification standards; and the conditions and terms of this Agreement. University Personnel shall participate in Medical Staff committee review of clinical and risk management issues, including the identification of opportunities for the improvement of quality of care and the resolution of clinical issues related to quality improvement and risk management. Each Service Chief shall be responsible for the development and implementation of an appropriate quality improvement plan for his or her Department, working in coordination with the LAC+USC CMO, the appropriate nursing administrator, and the appropriate quality improvement bodies.

2.4.4. Medical Administration. University shall require that all University Personnel assigned to Primary County Facilities attend and participate in all applicable training provided by County under this subsection, including appropriate resource utilization, managed care procedures, accreditation and licensure, risk management, and other necessary training as identified and provided by County.

2.4.5. Medical Records. University Personnel and Health Sciences Students shall cooperate in the timely completion and maintenance of a complete medical record for each patient encountered, pursuant to Bylaws and applicable state regulations and County policies and rules in the manner specified by County.

2.5. Personnel Responsibilities.

2.5.1. General.

2.5.1.1. *Staffing Levels*. Subject to County providing timely and adequate non-physician staff, support, resources and funding pursuant to § 3.3.4, University shall provide University Personnel to render patient care, training and supervision, and clinical service and GME office administration that are sufficient to meet the clinical and academic service requirements of the Hospital in accordance with the terms of this Agreement. Notwithstanding any other requirements of this § 2.5.1.1, if County reduces the volume of Purchased Services pursuant to § 5.6 or § 5.7 and the notice requirements therein, University may, consistent with its legal and contractual obligations, reduce staffing levels to reflect such volume reductions.

2.5.1.2. [THIS SECTION INTENTIONALLY LEFT BLANK.]

2.5.1.3. *Oversight of County Housestaff Selection Process*. University shall evaluate the academic qualifications of the candidates for County Housestaff and develop a list of qualified candidates for County Housestaff, in accordance with ACGME requirements and other applicable academic and accreditation standards, and shall be responsible for the timely submission of Housestaff matching lists to the National Resident Matching Program or other applicable matching entities. University also shall be responsible for ensuring that any non-United States citizen Housestaff satisfy all federal and state visa and other training requirements in accordance with the rules of the Education Commission for Foreign Medical Graduates or any other applicable authority; provided that County hiring decisions are within County's sole discretion, pursuant to § 3.4.2.

2.5.1.4. *Physician Recruitment*. It is the intent of the Parties that all physicians hired by County to practice in Hospital shall be considered for Faculty status. University, upon request, shall review the academic qualifications of each such physician, concurrent with County's civil service hiring process. University shall use reasonable efforts to confirm a physician's

eligibility for Faculty status by such time as County's hiring process is concluded. All County hiring decisions are within County's sole discretion. University shall consider applications for Faculty appointment of physicians hired by County to practice in any Primary County Facilities, including, upon request, non-Hospital Primary County Facilities, provided such physicians meet, at minimum, University's criteria for Faculty appointments. University shall be under no obligation to provide Faculty appointments to such physicians. This § 2.5.1.4 shall not apply to the recruitment or hiring of County Housestaff.

2.5.1.5. *Performance Evaluation.* At such times as CEO may request, University Representative shall participate in performance evaluations of LAC+USC CMO; provided that County shall be solely responsible for such evaluations.

2.5.1.6. *Discipline by University.* University shall be solely responsible for the discipline of all University Personnel who are not also County Personnel and may independently discipline any University Personnel in connection with their University employment. University shall cooperate with County with respect to the discipline of County Personnel performing services under this Agreement. University shall investigate any County complaints against University Personnel to determine the necessity for appropriate action. If (i) the nature of the complaint provides reasonable grounds to believe that the safety of any person or property in Primary County Facilities may be at risk; or, (ii) if the complaint arises out of allegations of discrimination or harassment by University Personnel and County determines it is in the best interests of the operation of the Primary County Facilities to reassign the individual pending resolution of the allegations, then University shall promptly reassign or exclude such University Personnel from Primary County Facilities pending resolution of the complaint. If University continues to use County funds to compensate a Faculty member who has been removed from the provision of Purchased Services, University shall ensure that County receives Purchased Services at the same level with no additional cost and no diminution in service attributable to the removal of the Faculty member.

2.5.1.7. *Academic Discipline.* University shall establish and implement a process for academic discipline of Faculty, Housestaff and Health Sciences Students. This shall not include employment actions.

2.5.2. University Housestaff and Health Sciences Students.

2.5.2.1. *General Responsibilities.* University shall be solely responsible for supervising the academic programs of, and for selecting and educating, any University Housestaff, Health Sciences Students, or other University

trainees rotating through Primary County Facilities. University shall notify CEO and LAC+USC CMO of changes to established academic schedules that could affect the volume or quality of patient care provided at Primary County Facilities. University shall use reasonable efforts to comply with the terms of County's collective bargaining agreements with and pertaining to County Housestaff, to the extent that County has notified University of the provisions in these agreements.

2.5.2.2 *Salaries and Benefits.* County shall reimburse University for University's cost of salaries, fringe benefits and workers compensation for any University Housestaff on a full-time equivalent basis for the period that they are assigned to Primary County Facilities, to the extent authorized under Addendum A. For purposes of this § 2.5.2.2, fringe benefits are those provided under applicable University employee and Housestaff plans, including vacation accrued, but not including liability insurance or self-insurance, provision of which is addressed in § 2.9 and § 3.7.

2.5.2.3 *Accounting of Health Sciences Students and University Students.* University shall provide to County on an annual basis at the end of each Contract Year, the summary of the total number of all Health Sciences Students and all other University Students enrolled in the University and participating in training programs with rotations at Hospital. Such summary shall also be broken down to identify the number of Health Sciences Students and other University Students by trainee type (e.g., medical student, nursing student).

2.5.2.4 *Reduction of Health Sciences Students and University Students.* The parties understand and agree that the efficient, effective and compassionate treatment of patients is critical to meeting the objective of providing patient-centered delivery of health care. To that end, it is the goal of the parties to have no more than two Health Sciences Students for any one Faculty Medical Staff member (attending staff) in any patient care setting. In addition to the foregoing, the parties agree that the University and LAC+USC CMO have discretion to agree to accept a different ratio at any time.

2.5.3. Faculty Evaluations. University shall evaluate the performance of Faculty in meeting Faculty responsibilities (differentiated by type and status of Faculty appointment) and with respect to quality of care, resource utilization, and compliance with accreditation standards and County's policies and procedures.

2.5.4. Reallocation of University Personnel

2.5.4.1. *County Notice of Request for Reallocation of University Personnel.* The Parties recognize that County may provide written notice to University that the allocation of University Personnel to a particular Department, division within a Department or clinical service is insufficient to adequately address the goals and responsibilities of University and inconsistent with Addendum

A, with respect to the provision of Purchased Services. Any such written notice to University shall:

(i) identify the specific Department, division within a Department or clinical service where insufficient University Personnel have been allocated;

(ii) describe how the provision of an insufficient number of these University Personnel has impacted the quality of patient care or other aspects of Hospital operation; and

(iii) identify the clinical hours that County requests be reallocated;

(iv) identify the specific Department, division or clinical service to which the clinical hours will be reallocated at County's request.

2.5.4.2. *University Response to Notice.* Upon receipt of County's Notice identified in § 2.5.4.1 above, University shall have thirty (30) days to investigate the issues raised in such Notice. Within this thirty (30) day period University shall place the matter on the Agenda of the Facility JPO Committee to assist with formulating its response and shall provide County with a written response indicating either (i) that University will reallocate some or all of the University clinical service hours as requested by County or (ii) that University rejects the request to reallocate any clinical service hours. To the extent University rejects County's request to reallocate any clinical service hours, University's written response to County shall include the specific basis for this rejection.

If the basis for University's rejection is that University alleges that the issues raised pertaining to quality of patient care or other aspects of Hospital operation can be cured without reallocating clinical service hours, then University shall cure the issues identified in County's Notice requesting reallocation of clinical service hours to County's reasonable satisfaction not later than sixty (60) days from the date of County's Notice.

2.6. Training Programs.

2.6.1. Accreditation of Training Programs. University shall cooperate with County's activities in maintaining the accreditation of all Training Programs listed in Exhibit 1 that are conducted in whole or in part in Primary County Facilities and shall notify County of any matters to its knowledge that may compromise such accreditation. University shall maintain accreditation of its School of Medicine by the Liaison Committee on Medical Education and of its Schools of Pharmacy and Dentistry by the relevant accrediting bodies, and it shall maintain accreditation of all Training Programs by the ACGME and any appropriate specialty boards or other applicable accreditation bodies. In the event that any Training Program receives a probationary accreditation status from ACGME or other applicable accreditation body, University shall provide County with all material information regarding the

deficiencies cited by such accreditation body; University's work plan for ending probationary accreditation status; and regular reports on University's progress toward this end. Loss of accreditation may constitute an Event of Immediate Termination, Immediate Partial Termination, or Partial Termination for Cause, as more specifically set forth in §§ 8.3.4, 8.3.5 and § 8.4.2. The obligations set forth in this § 2.6.1 shall be subject to the terms of § 3.3.4.

The Parties acknowledge that the County and University are recognized by the ACGME as the sponsoring institution, and, as such, the ACGME recognizes that the both the County and the University are ultimately accountable to the ACGME.

- 2.6.2. Training of University Housestaff and Health Sciences Students. Training of University Housestaff and University Health Sciences Students at Primary County Facilities shall be accomplished in accordance with University procedures, in compliance with County policies and regulations and other County requirements as set forth in this Agreement. To the extent authorized in Addendum A or otherwise by County, Faculty may teach Health Sciences Students, and medical, dental, pharmacy, psychology, and allied health students and trainees from other institutions, rotating through Primary County Facilities.
- 2.6.3. Academic Administration of Training Programs. University shall provide academic administration of Training Programs as set forth in Addendum A, including education of County Housestaff in accordance with the requirements established by the ACGME and any other applicable accreditation bodies. Service Chiefs and University shall cooperate in arranging and supervising the rotation of County Housestaff through University facilities when educationally appropriate and desired. On an annual basis, due initially within thirty (30) days of execution of this Agreement and in the future due no later than August 15th following the end of each Contract Year, University shall provide County with a report that: identifies the total County Housestaff approved by the accrediting body; and provides an accurate and complete listing of non-County facilities that accommodate resident rotation including the annualized number of residents rotated.
- 2.6.4. Scheduling. University shall schedule Faculty so as to meet University's obligations under this Agreement and to ensure that Health Sciences Students and Housestaff are adequately supervised at all times in accordance with Medical Staff, DHS and accreditation standards. Upon request, University shall provide CEO and LAC+USC CMO with proposed Housestaff schedules annually with monthly updates indicating actual staffing assignment within thirty days of the close of the month. LAC+USC CMO may participate in Faculty scheduling and approve the final operational Faculty and Housestaff schedules. The intensity of Faculty supervision shall be commensurate with the skills, experience and seniority of Housestaff or Health Sciences Students, with Review Committee (RC) requirements, and, when in effect, Housestaff qualification levels. University shall provide CEO or LAC+USC CMO with proposed Housestaff schedules upon request.
- 2.6.5. University Personnel and Rotations. University shall maintain a list of all University Personnel rotating through Primary County Facilities, including any

medical, dental or independent health professions student, provide the list to the CMO and CEO, and as appropriate, chief medical officer or designee of a non-Hospital Primary County Facility, upon execution of the Agreement, and update it as necessary thereafter. For each Department or non-Hospital Primary County Facility, the list shall include the name, location, and assignment of all University Housestaff and Health Sciences Students. University shall promptly notify County of all material changes in Training Programs, including changes in the number of Health Sciences Students or University Housestaff assigned to or rotating through Primary County Facilities, and changes in the scope, organization or length of such education or training programs. University shall be accountable for the compliance of University Personnel with those lists. University Housestaff rotating through County facilities and programs as part of their graduate medical education shall be subject to all appropriate supervisory and regulatory requirements applicable to County Housestaff participating in such programs, including requirements regarding medical records and quality assurance activities. All rotations of Housestaff in a Training Program to a non-County facility must be approved in advance by the LAC+USC CMO or designee, and the DIO.

- 2.7. **Research.** University shall abide by the provisions of the Bylaws with respect to review, approval and conduct of any research to be performed in Primary County Facilities and shall coordinate such research pursuant to the Sponsored Programs Agreement. Any such research is subject to the approval of the Governing Body.
- 2.8. **Academic Programs at Non-Hospital Primary County Facilities.** University shall be responsible for integrating and supervising academic programs, in the context of Training Programs, at non-Hospital Primary County Facilities, including any which are described more particularly in Addendum A.
- 2.9. **Insurance Coverage.** Without limiting University's indemnification of County and during the term of this Agreement, University shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to County and primary to and not contributory with any other insurance maintained by County. Certificate(s) or other evidence of coverage shall be delivered to County prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that County is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of University to procure and maintain the required insurance shall constitute an Event of Immediate Termination pursuant to § 8.3 upon which County may immediately terminate or suspend this Agreement.
- 2.9.1. Liability. The following programs of insurance shall be endorsed naming County as an additional insured and shall include:
- A. General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than \$1,000,000 per

occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, University shall be required to provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

- B. Comprehensive Auto Liability insurance endorsed for all owned, non--owned, and hired vehicles with a combined single limit of not less than \$1,000,000 per occurrence.
- 2.9.2. Workers' Compensation. University shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a \$1,000,000 limit, covering all persons that University is legally required to cover.
- 2.9.3. Sexual Misconduct Liability. University shall maintain insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.
- 2.9.4. Self-Insurance. County will consider a self-insured program or self-insured retention as an alternative to commercial insurance from University upon review and approval of the following:
- A. A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of University's governing body or a certified statement from a University officer. University must notify County immediately of discontinuation or substantial change in the program.
 - B. Agreement to provide County at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.
 - C. Agreement to notify County immediately of any claim, judgment, settlement, award, verdict or change in University's financial condition which would have a significant negative effect on the protection that the self-insurance program provides County.
 - D. Name, address and telephone number of University's legal counsel and claims representative, respectively, for the self-insurance program.
 - E. Financial statement that gives evidence of University's capability to respond to claims falling within the self-insured retention or self-insured program. Re-submission is required at least annually for the duration of this Agreement or

more frequently at County's request. Failure to comply will result in withdrawal of County approval.

The proposed self-insurance program must be approved by County prior to the start of this Agreement.

2.10. Productivity, Integration and Other Health Care Improvement Goals

The Parties understand and acknowledge that (i) the County is committed to continuing improvement of its health care delivery system, including the County's participation in state and Federal health care improvement efforts, such as the Medi-Cal 2020 Waiver, and any future waivers and (2) the County is initiating improved cost accounting and other health care and accounting data, projects and metrics ("Productivity Goals"), and (3) the County receives requests by the Centers for Medicare and Medicaid Services, the California Department of Health Care Services, Medi-Cal managed care or other health plans, ratings or evaluation agencies (e.g., Leap Frog), or other similar organizations, for health care, clinical, financial/accounting and other data ("Health Care Data Requests"). The Parties understand and agree that achievement of Productivity Goals and response to Health Care Data Requests are shared and complementary missions and goals of the County and the University under this Agreement.

- 2.10.1 *General.* University shall assist County in meeting its Productivity Goals and in responding to Health Care Data Requests in connection with the provision of services under this Agreement.
- 2.10.2 *Provision of Services.* University shall provide Purchased Services under this Agreement consistent with, and in furtherance of, County's Productivity Goals. University Personnel shall provide accurate and timely documentation of services provided in order to meet any reporting requirements of County's Productivity Goals, including the utilization of any electronic and/or computer program as designated by the County, and to timely respond to any Health Care Data Request. For example, to the extent insufficient data is included in the Medicare Physician Time Study, University Personnel shall revise or re-submit any needed documentation if needed to meet County's Productivity Goals, or to ensure an appropriate response to Health Care Data Requests.
- 2.10.3 *Training.* University Personnel shall attend any trainings conducted by the County or its contractors related to County's Productivity Goals and Health Care Data Requests.
- 2.10.4 *Data Reporting.* University shall promptly respond to any request by County for data maintained by the University, and any request by County for University to assist in obtaining data, as needed for County's Productivity Goals and to respond to Health Care Data Requests.
- 2.10.5 *Assistance of JPO Committee.* Either party may seek assistance of the JPO Committee for any Health Care Data Request provided that the JPO Committee timely responds to such request for assistance.

- 2.11 **Compliance with DHS and Hospital Policies, Rules and Regulations.** During the time that the University's agents, employees, or subcontractors are at a Primary County Facility, or otherwise providing Purchased Services under this Agreement, the University and such persons shall meet all expectations of County Personnel and be subject to applicable workforce requirements, applicable policies, procedures, rules and regulations of DHS and that Primary County Facility. Within thirty days of the Effective Date of this Agreement, a representative of DHS or the Primary County Facility shall furnish a copy of the policies, procedures, rules and regulations to the University pertaining to this Agreement. Within sixty days thereafter, the University shall notify the County of any policies that University recommends to be excluded from this Section. Subject to review by relevant County and University departments, the Parties agree to meet timely and in good faith to determine which policies should be excluded and shall amend this Agreement accordingly. It is the responsibility of the University to acquaint all persons who may provide services hereunder with such policies, procedures, rules and regulations. The University agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of services hereunder upon receipt of written notice from the Director that such employee or subcontractor has violated, or appears to have violated, such policies, procedures rules or regulations. The Director must submit with such notice a written statement of the facts supporting any such alleged violation or action.

3. RESPONSIBILITIES OF COUNTY

3.1. Administration and Governance of Primary County Facilities.

- 3.1.1. General. DHS Director or his or her designee is authorized to administer this Agreement on behalf of County. County, through DHS Director, is responsible for the governance, administration and operation of Primary County Facilities. DHS CMO shall oversee Training Programs throughout Primary County Facilities and monitor program implementation and accountability.
- 3.1.2. CEO. DHS Director shall appoint a CEO for Hospital CEO shall be responsible for the day-to-day administration and operation of Hospital, shall be authorized to act on behalf of County in matters relating to the administration and performance of this Agreement, and shall be responsible for Hospital compliance with the terms of this Agreement.
- 3.1.3. LAC+USC Chief Medical Officer.
- 3.1.3.1. *General.* County, through DHS CMO and CEO, shall designate a LAC+USC CMO, who shall be responsible for monitoring and overseeing clinical services provided under this Agreement, ensuring Medical Staff compliance with the Bylaws, and shall have overall responsibility for delivery of clinical care at the Hospital. The LAC+USC CMO shall be a full time County employee and shall receive no compensation from the University.
- 3.1.3.2. *Selection Process.* Candidates for LAC+USC CMO shall be selected pursuant to § 4.11.

- 3.1.3.3. *Assignment.* County shall be solely responsible for the final selection of the LAC+USC CMO from among candidates identified pursuant to § 4.13, in accordance with County's civil service and personnel policies, as applicable, and the Bylaws. University will provide input on candidate selection, and be solely responsible for the determination of the eligibility and nature of academic appointment of the LAC+USC CMO at the University. Notwithstanding the foregoing, the parties agree that the University shall confer upon the LAC+USC CMO the status of Associate Dean (unpaid).
- 3.1.3.4. *Duties.* Subject to the authority of DHS CMO, LAC+USC CMO's responsibilities shall include:
 - 3.1.3.4.1. Patient Care Policies. Assistance in developing, and in informing University Personnel of, applicable patient care policies and initiating appropriate action to correct noncompliance.
 - 3.1.3.4.2. Clinical Management and Supervision. Oversight of clinical operations, and medical management of all physician services, rendered at Hospital, including the day-to-day delivery of Purchased Services under this Agreement with the assistance of the University Representative.
 - 3.1.3.4.3. Quality Improvement. Oversight of physician and Hospital quality improvement activities as set forth in the Bylaws and of the activities of Hospital's quality improvement committee. LAC+USC CMO shall be responsible to DHS CMO for oversight of Medical Staff quality improvement activities.
 - 3.1.3.4.4. Bylaws. Periodic review of the Bylaws, working with the Medical Staff to initiate any amendments necessary to bring them into conformity with current professional standards or this Agreement, and monitoring physician compliance with the Bylaws.
 - 3.1.3.4.5. Joint Commission Accreditation. Monitoring physician compliance with Joint Commission standards.
 - 3.1.3.4.6. ACGME Accreditation. Monitor and facilitate institutional compliance with ACGME standards and requirements with respect to Training Programs in partnership with the DIO and GMEC.
- 3.1.3.5. *Associate Medical Directors for Primary County Facilities.* The selection and assignment of any Associate Medical Director is solely at the discretion

of the County. Associate Medical Directors shall not concurrently be County personnel and receive compensation from the University.

3.1.4. Medical Staff. County, through DHS CMO or his or her designee, shall organize the Medical Staff in accordance with Joint Commission and State of California medical staff requirements. Members of the Medical Staff shall be responsible for all clinical activities authorized under the Bylaws, subject to the authority of the Governing Body.

3.2. **Program Planning.** County shall participate in joint planning and operations through the JPO Committee, as set forth in § 9.

3.3. **Operations of Primary County Facilities.**

3.3.1. Facility Space, Staff and Equipment. Except as set forth in this Agreement, County is responsible for operations and facilities at Primary County Facilities, including the provision of qualified non-physician, clerical/administrative personnel (other than University Personnel) in adequate numbers, such adequate personnel to include janitorial staff, nursing staff, social services, case management, phlebotomy function support, transport services, orthopedic technicians, anesthesia technicians and physician assistants; and sufficient supplies, equipment, support and facilities. County shall provide these resources at levels sufficient to maintain a high quality tertiary care teaching hospital in compliance with accreditation standards of Joint Commission, ACGME and other accrediting and regulatory bodies and in conformity with all applicable state and federal laws, rules, regulations and standards. County shall provide parking to University Personnel when providing Purchased Services.

3.3.2. Security. County shall maintain appropriate security measures to protect University Personnel in Primary County Facilities, including parking facilities, on-call quarters and grounds.

3.3.3. Medical Records. County Personnel shall cooperate in the timely completion and maintenance of a complete medical record for each patient encountered at Primary County Facilities in accordance with Bylaws and applicable state regulations and County policies and rules. County shall maintain a medical records department sufficient to: (i) meet the requirements of applicable laws, regulations and accreditation requirements; (ii) support patient care, the education of Housestaff and Health Sciences Students, and quality-assurance/performance improvement activities; and (iii) provide a resource for scholarly activity in compliance with the rules and regulations governing approved medical research. County shall retain medical records for the legally required time period and make charts available to University Personnel in a timely manner as necessary for scheduled clinic visits, Hospital admissions, mortality and morbidity reviews, preparation of responses to citations, reimbursement appeals, billing, other claims brought by third parties and approved medical research.

3.3.4. Training Program Support. County shall maintain adequate facilities and non-physician staff (other than University Personnel), as appropriate, to meet the

learning and work environment of Training Programs in a manner consistent with and required by the standards established by ACGME and any other applicable accreditation or regulatory bodies. In the event that any individual academic program may be precluded from meeting ACGME standards by County's failure to provide adequate such staff and facilities or County's reduction in the volume of Purchased Services pursuant to § 5.6, University shall bring this to the attention of the JPO Committee. The JPO Committee shall consider the matter and provide recommendations pursuant to § 9.2. Until such time as County restores such staff and facilities, or volume of Purchased Services, to adequate levels to meet ACGME or other applicable accreditation standards, University shall be relieved of its obligation to maintain and meet the accreditation standards as provided in § 2.6 and the performance standards set forth and elsewhere in this Agreement with respect to the deficient Training Program. Such relief of University obligations shall not, however, relieve the County of its obligation to provide Training Program support under this Agreement. In the event that County fails to provide adequate such staff and facilities as required in this § 3.3.4 or reduces the volume of Purchased Services pursuant to § 5.6, University may, at its option, deem the failure an Event of Termination for Cause pursuant to § 8.4.

3.3.5. Knowledge of and Compliance with County Policies. County shall include University Personnel, as may be applicable, in training sessions regarding County policies and University shall cooperate with County in instructing University Personnel regarding County policies.

3.3.6. Patient Complaints. County shall make a good faith effort to address patient complaints, to bring those matters relating to University Personnel to the attention of University, and to cooperate with University in addressing any such complaints.

3.4. Personnel Responsibilities.

3.4.1. General. County shall be responsible for hiring, scheduling, promoting, compensating, disciplining (other than academic discipline) and terminating County Personnel. County shall use its best efforts to ensure that the job description for each physician to be hired by County to practice in Primary County Facilities shall correspond to University's criteria for Faculty appointments.

3.4.2. Employment of County Housestaff. County shall be solely responsible for the employment of County Housestaff from the list of academically qualified candidates developed by University pursuant to § 2.5.1.3.

3.4.3. Performance Evaluations. CEO or LAC+USC CMO shall participate in performance evaluations of any Service Chief who is University Personnel and any Program Director, as deemed necessary by the County, provided that University shall be solely responsible for such evaluations.

3.4.4. Coordination of Discipline of University Personnel. To the extent permitted by law and County policy, County shall promptly inform University of any complaints or concerns raised by County personnel against University Personnel that might

affect the individual's right or ability to participate in a Training Program, provide patient care, or carry out his or her University employment duties in any Primary County Facility. County shall coordinate and work with University to address such matters.

3.4.5. Discipline of County Personnel. County shall be responsible for the discipline of County Personnel, including County Housestaff, other than academic discipline. County shall seek the cooperation of University in any disciplinary matter in which County Personnel perform services under this Agreement and shall investigate any University complaints regarding County Personnel to determine the necessity for appropriate action. If a complaint provides reasonable grounds to believe that the safety of any person in Primary County Facilities may be at risk, then, consistent with established County civil service rules, County procedures and the Bylaws, County shall exclude or temporarily reassign such County Personnel from Primary County Facilities, pending resolution of the complaint. This provision does not preclude University from taking disciplinary action in accordance with § 2.5. 1.7.

3.4.6. (THIS SECTION INTENTIONALLY LEFT BLANK.)

3.4.7. Health and Safety of Housestaff and Health Sciences Students. County shall protect the health and safety of Housestaff and Health Sciences Students on rotation at Primary County Facilities by providing each Housestaff / Health Sciences Student with the following:

3.4.7.1. *County Security Information.* Orientation of the type and scope provided by County to its new employees, including information about County's security measures, fire safety and disaster protocols, and any additional recommended personnel safety and security precautions.

3.4.7.2. *Infection Control Procedures.* Instruction in County's policies and procedures for infection control, including the handling and disposal of needles and other sharp objects, and in County's protocols for on-the-job injuries, including those resulting from needle stick injuries and other exposures to blood or body fluids or airborne contaminants.

3.4.7.3. *Emergency Treatment.* First aid and other emergency treatment on-site, including immediate evaluation for risk of infection and appropriate follow-up care of Housestaff / Health Sciences Students in the event of a needle stick injury or other exposure of Housestaff / Health Sciences Students to blood or body fluids or airborne contaminants. After immediate first aid is provided, University Personnel will be referred to University contracted healthcare services for subsequent care. County Personnel will be referred to County employee health.

3.4.7.4. *Facilities.* Information concerning provision of parking, meals, lockers, and appropriate access to on-call rooms, lounge, restrooms and shower facilities, as applicable.

3.5. Real and Personal Property. Unless prohibited by CEO, University shall be permitted to use such real and personal property of County as necessary in fulfilling its obligations hereunder at no additional cost to University. Notwithstanding any other provision of this Agreement, County is only obligated to provide space for non-clinical services, such as offices, or laboratory or testing facilities for purposes of providing Purchased Services under this Agreement as determined by County in its reasonable discretion. County shall determine what space is available to University Personnel for such purposes and may make such space available on a non-exclusive basis. Either party may request assistance from the JPO Committee as needed.

3.6. Training and Teaching Programs.

3.6.1. Accreditation of Training Programs. County shall cooperate with University in order to maintain accreditation of any Training Program with which University is involved pursuant to this Agreement.

3.6.2. County Housestaff in University Programs. County Housestaff rotating through University facilities and programs as part of their graduate medical education shall be subject to all appropriate supervisory and regulatory requirements applicable to University Housestaff participating in such programs, including requirements regarding medical records and quality assurance activities.

3.6.3. Consolidation and Coordination of County's Training Programs. CMO shall consult with each Primary County Facility and University through the JPO Committee to identify strengths and weaknesses and determine whether coordination and consolidation of County's training programs should occur. In the event that any of County's training programs are consolidated to include Training Programs, County agrees that current residents and newly accepted residents shall be permitted to complete their respective residency training programs consistent with ACGME or other applicable regulatory requirements. Any such consolidation shall be noticed and phased in to permit the proper reallocation of resources. Any decision regarding the consolidation of any of County's training programs will be based in part on the general objective of fair and equitable distribution among the universities with which County has medical school affiliations, and County will take into account the impact that such consolidation will have on University's educational mission.

3.6.4. Health Sciences Student Rotations. Subject to the limitations set forth in this Agreement, County shall give University's Health Sciences Students priority in their rotations through Hospital over students from other universities. County shall notify University of any Health Sciences Students from other universities rotating through Hospital.

3.7. Insurance Coverage. Without limiting County's indemnification of University and during the term of this Agreement, County shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to University and primary to and not contributory with any other insurance

maintained by University. Certificate(s) or other evidence of coverage shall be delivered to University prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that University is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of County to procure and maintain the required insurance shall constitute an Event of Immediate Termination pursuant to § 8.3 upon which University may immediately terminate or suspend this Agreement.

3.7.1. Liability. The following programs of insurance shall be endorsed naming the University as an additional insured and shall include:

- A. General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than \$1,000,000 per occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, County shall be required to provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.
- B. Comprehensive Auto Liability insurance endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less than \$1,000,000 per occurrence.
- C. Hospital and professional liability insurance covering liability from any error, omission or negligent act of County, its officers, employees or agents, or University Personnel and University Housestaff providing Purchased Services, with a limit of liability of at least \$1,000,000 per claim.

3.7.2. Workers' Compensation. County shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a \$1,000,000 limit, covering all persons that County is legally required to cover.

3.7.3. Self-Insurance. University will consider a self-insured program or self-insured retention as an alternative to commercial insurance from upon review and approval of the following:

- A. A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of Governing Body or a certified statement from a County officer. County must notify University immediately of discontinuation or substantial change in the program.
- B. Agreement to provide University at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.